Sri KADIDAL MANJAPPA.—No. It applies to non-agricultural lands and buildings.

Sri J. B. MALLARADHYA.—I support the Bill. I do not oppose it.

Mr. DEPUTY SPEAKER.—The question is :

" That the Mysore Public Premises (Eviction of unauthorised occupants) Bill, 1960, be taken into consideration: "

The motion was adopted.

Mr. DEPUTY SPEAKER.—Clauses 2 to 14, The question is:

" That clauses 2 to 14, both inclusive, stand part of the Bill. "

The motion was adopted.

Clauses 2 to 14, both inclusive, were added to the Bill.

Mr. DEPUTY SPEAKER.—The question is :

" That Clause, the Preamble and the Short Title stand part of the Bill. "

The motion was adopted.

Clause, the Preamble and the Short Title were added to the Bill.

Motion to pass.

Sri KADIDAL MANJAPPA.—Sir, I beg to move :

"That the Mysore Public Premises (Eviction of unauthorised occupants) Bill, 1960 be passed."

Mr. DEPUTY SPEAKER.—The question is :

" That the Mysore Public Premises (Eviction of unauthorised occupants) Bill, 1960 be passed."

The motion was adopted.

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE APPROPRIATION AND FINANCE ACCOUNTS OF THE GOVERNMENT OF MYSORE FOR 1954-55, TO 1958-59 AND THE AUDIT REPORTS THEREON AND THE APPROPRIATION AND FINANCE ACCOUNTS OF COORG FOR 1953-54 to 1956-57.

Motion to Consider.

Sri B. D. JATTI. (Chief Minister).—Sir, I move :

" That the Report of the Public Accounts Committee on the Appropriation and Finance Accounts of the Government of Mysore for 1954-55, 1955-56, 1956-57, 1957-58, and 58-59 and the Audit Reports thereon and the Appropriation and Finance Accounts for 1953-54 to 1956-57 of Coorg be taken into consideration."

Mr. DEPUTY SPEAKER.—Motion moved

"That the Report of the Public Accounts Committee on the Appropriation and Finance Accounts of the Government of Mysore for 1954-55, 1955-56, 1956-57, 1957-58, and 1958-59 and the Audit Reports thereon and the Appropriation and Finance Accounts of Coorg for 1953-54 to 1956-57 be taken into consideration."

† Sri J. B. MALLARADHYA.—Sri, I am surprised that the Public Accounts Committee Report and the Audit Report of the Government of Mysore for the years 1954-55 up to 1958-59 should be brought up for consideration in the year of grace 1961, on the 22nd November. This is a thing which has beaten all record of performance or failure to perform on behalf of any Government. Sir, it is more than 4½ years since we are here. The delay is entirely due to Government because they should share their responsibility. They cannot divest themselves of the responsibility as to why they did not place it before the House at the earlier session. Sir, I shall not be going into the details of the old things and I want to confine myself only to Appropriation Report of 1958-59 and the Audit Report of 1959.

5-30 P.M

Sir, It is my first duty to compliment the Chairman and Members of this particular Committee presided over by my esteemed friend and colleague Mr. Mohemed Ali. If I have to say it in one sentence, the Chairman and Members have done a very fine job of it. It is a report which is worthy of closest study and it is a report which has been drawn up with a lot of devotion to work and with lot of earnestness and seriouness of purpose. It is a report which is drawn on non-party lines and with a very critical out-look. That is the type of appeal that this Report has made and that is my reaction. Actually, when I went through the Report, I had actually fallen in love and admiration of the very useful work done by this Committee.

There was no occasion for me to fall in love with any particular member of the Legislature, Sir. I invite the attention of the Hon'ble House to rule 250 of the Rules of Procedure relating to this Committee on Public Accounts for the examination of the accounts showing the appropriation of sums. It seems to me, Sir that without any sense of discrimination or disparagement, I can say that the Public Accounts Committee and the Estimates Committee in our Legislature, are the two of the most important committees without which I am afraid the work of this Legislature would not be of much value. Not that I am minimising the importance of other committees. There is a Committee called the Privileges Committee. It is very rarely that it functions. Similarly, the other Committees. Comparatively speaking, I consider these are the two important committees.

Sri, I shall now go through some of the major observations made by the Committee in regard to the accounts which are covered

by this Report. Sir, on Page 4 on the Report, an observation has been made that many of the officers who had to come and give evidence or render explanations, had not come prepared and could not furnish the required information. Sir, this is a most extraordinary state of affairs for any Government that their officers who are to come and give evidence before a committe of Legislature which has got a status, which has got an important public function to fulfil, that they should have come their unprepared and failed to furnish the information at the appropriate time and in the manner expected of them, speaks volumes against the sense of discipline that pervades the official mchinery in this State of Mysore. I invite the attention of the Hon'ble Members to a circular stated to have been issued by this Legislature Secretariat and which is printed as an annexure III to this Report. Sir, the scope and functions of the public Accounts Committee have been very carefully gone into and have found expression in this particular annexure. Sir, I agree with every word of that has been said in this circular. In fact popular conception about the public Accounts Committee is that this Committee is just in the nature of a *post mortem* examination, that it conducts a *post mortem* of the various omissions and commissions in respect of the Governmental actions. I am afraid, it thoroughly wrong *view* to take. Sir, as rightly said in the circular, the committee's work is to see whether the policy laid down by Legislature has been carried out by the executive and in the manner conceived of, and the defects discovered in this attempt will always be a fund of experience in the light of which future planning and annual budgeting can take place. There is one important aspect which has appealed to me which every Government has got to remember, it is not merely the business of the committee whether policies are implemented, but whether monies are spent as the Legislature intended, whether it is spent with due economy and whether a high standard of public morality is maintained in all financial matters.

Sir, it is not necessary for me to go through the details of this circular. But I have a special purpose in inviting attention to one matter of very great importance, that is, the Public Accounts Committee has conducted itself judicially and on a non-party basis which is divorced from party politics. It is against this back-ground I convey my deep appreciation of the very useful work done by this Committee irrespective of the fact that it had a majority of congressmen. Sir, our objection and complaint has been repeatedly voiced on the floor of this House that in Mysore the main bodies constituted by the Government are flooded and over-weighted by a large number of men belonging to the Ruling Party. In spite of that, the fact that this Public Accounts Committee has been able to discharge its duties in this manner speaker volumes in favour of their correct approach, to the problems, which has enabled them to present this report. This Committee has sat and deliberated upon facts and adopted a semi-judicial procedure, and has taken the expert evidence on facts and the law and has given its findings

(Sri J. B. MALLARADHYA)

Because of this approach, the recommendations of the Committee are treated with the utmost respect.

Sir, the reason why I referred to Annexure III is, it would appear that this circular has been issued under the orders of the Hon'ble Speaker of this House has not been agreed to or assented to by the Government of Mysore. It raises a very fundamental issue, whether the scope and functions of the Public Accounts Committee as mentioned or as detailed in this particular circular have not appealed to the Government. As to why they have delayed concurring with the issue of this circular passes my comprehension. Is it their suggestion that what is coantained is not either according to law or convention or that it is divorced from reason argument, or what it is? I call it a fundamental issue because, unless we are sure on the floor of this House that the Public Accounts Committee functions do not very fundamentally form what is stated in the circular and will be applicable to the officers of the Government and Ministry, I am afraid, there is no purpose that would be served in going into detailed discussion on the work or the report of this Committee. I should like to leave it at that.

The one matter which cannot go un-noticed on the floor of this House is this point in respect of which, we will have to take a very firm decision:

> "One other question on which clarification is necessary relates to a claim often times made by officers that certain information called for by the Committee cannot be furnished in public interest. On this point, the practice in the Lok Sabha may be adopted as a safe guide. This practice has resulted from an understanding reached between the Central Government and the Speaker of the Lok Sabha. Under this practice, if any officer feels that a document cannot be produced and certain information cannot be furnished without prejudice to national interest, the matter is placed before the Chairman, of the Public Accounts Committee and he is taken into confidence. If the Chairman after going through the facts or the documents is of opinion that the matter should not be disclosed in public interest, it is left to him to withhold the same from the Committee and inform the committee accordingly. In case, however, the Chairman feels, after having examined the facts placed before him, that the matter should not be withheld from the Committee, the Central Government have agreed that the whole matter will be placed before the Speaker of the Lok Sabha for his guidance and that his guidance will be accepted both by the Government and the Committee and the matter will be closed thereafter."

Sir, the point now is, that on the floor of this House in all matters which regulate the conduct of business in this House, we look to the

Lok Sabha practice as the guiding factor. I do not know why the Government of Mysore should make a notable departure in this particular case in the determination of the fact whether a particular matter is in public interest or not; and it is rather surprising that the Government should not have indicated their concurrence in regard to this particular circular.

Another point which is distressing me is whether the Government at the highest level discusses this matter with the Speaker.

Sri M. C. NARASIMHAN.—Is it not necessary that the Chief Minister should be present when the Report of the Public Accounts Committee is discussed ?

Sri B. D. JATTI.—He has gone to the Legislative Council.

Sri M. C. NARASIMHAN.—It is necessary that the Chief Minister should be present because the report covers several policy matters and it is not the exclusive function of the Finance Minister. We find from the report that several assurances given by the Finance Minister are violated by himself and so what is the use of making him responsible for this ? Somebody more responsible, namely the Chief Minister, has got to be here at the time of the discussion.

Mr. DEPUTY SPEAKER.—It is not necessary that the Chief Minister should be here. The Finance Minister is there.

Sri J. B. MALLARADHYA.—I want to know from the Speaker if he had any prior consultations with the Government and whether he pursued the matter and obtained the concurrence of the Government. In a matter of this kind there should be co-ordination and thinking on the same lines at both levels and both ends. It would be very unfortunate if this circular is treated as a scarp of paper and the directions contained therein are not respected both in letter and in spirit. There can be no harmonious relations between the executive and the legislature if in respect of the functions of a Committee like the Public Accounts Committee there is no clear understanding of sphere and duties and the kind of relationship that should exist between the two. The whole administrative machinery can with an air of defiance not care for any direction by the Legislature and if the Legislature is treated with scant respect I am afraid democracy will be a failure.

Closely allied to this is another matter relating to the autonomy of the Legislature Secretariat. It is a very distressing reading that where there is a constitutional provision they should not respect it. I invite here attention to Article 187(1) of the Constitution which provides for a separate Secretariat for a House or each House of Legislature. As the Committee have rightly observed, they are surprised to find that though it is 11 years since the Constitution came into force no action has been taken to place the Legislature Secretariat on an independent footing as required by the Constitution and that it

(Sri J. B. MALLARADHYA)

has even been made administratively subordinate to the Law Department. This is a sorry state of affairs in which the Legislature Secretariat is functioning. To put it in one word, the whole thing is absurd. As the Committee have pointed out, even in small matters it seems the Legislature Secretariat has to depend on the Law Department to get certain facilities. The Secretary of the Legislature has to seek orders and await the supreme pleasure of the Law Department. I do not know if there is any parallel to this unhappy state of affairs in any other State in India.

I want to make one point clear. The Secretary of the Legislature is my personal friend and we have had opportunities of working together while I was in service. I have the highest affection and regard for him, but my observations here have nothing to do with that. I am not pleading on behalf of anybody. When the pay revision took place the only officer discriminated against in the Government Order was the Secretary of Legislature. When every other Secretary started on a salary of Rs. 1,300 rising up to 1,800 the unfortunate Secretary of the Legislature was not given that benefit. I must make it clear that I am not pleading for Sri Venkataramana Iyer. He should have retired in September. At least that will convince anybody of my *bona fides*. I do not know why the Secretary of the Legislature should be treated as subordinate to any other Secretary of Government. When every Secretary to Government started on Rs. 1,300 and went up to Rs. 1,800 the unfortunate Secretary to the Legislature had to start on Rs. 900 and end at Rs. 1,300. Is the work of the Secretary of the Legislature any the less important or any the less onerous? From 1956 onwards to my knowledge successive Speakers have been dinning at the doors of Government to see that the Legislature Secretariat gets financial control. That is the whole crux of the whole problem. Asking for financial control never meant freedom from the operation of the existing rules, whether financial or other rules relating to expenditure. It only meant avoiding the necessity of going to the Law Department for sanction for every small item of expenditure. I want to know whether this was a very difficult matter for Government.

To quote another instance of discrimination, from 1956 onwards Secretaries to Government get an allowance of Rs. 250 per month whereas the Secretary to the Legislature gets only an allowance Rs. 100 per month. After the latest pay revision the allowance of Secretaries to Government was reduced to Rs. 150 per month. Whereas every Under Secretary to Government gets an allowance of Rs. 150 the Secretary to the Legislature gets only an allowance of Rs. 100. This is very ridiculous. Even the Deputy Secretary to the Legislature is to get an allowance of Rs. 100. I have already made it clear that my friend Sri Venkataramana Iyer is not going to benefit by any increase because he is due to retire. So the question is, what is to happen to the future Secretary? As against the Deputy Secretary who

gets an allowance of Rs. 100 the Secretary also gets an allowance of Rs. 100 only. Is this state of affairs healthy in the interest of the efficient functioning of the Legislature Secretariat ? A Deputy Secretary to Government gets an allowance of Rs. 100 and the Secretary to the Legislature also gets an allowance of Rs. 100. Who is responsible for bringing about such an anomaly ?

I am quite certain that successive Speakers would have pleaded for Sri Venkataramana Iyer. There seems to be some snag somewhere. This discrimination and injustice should not be allowed to prevail any longer. Is it a fair that any officer of Government should be treated in this manner. If you would please pordon me, I consider that there is somebody who is personally dead against Mr. Venkataramana Iyer, somewhere. In trying to do poor Venkataramana Iyer in the eye, why should successive Secretaries, those who come after him, be made to suffer.

I entirely agree with whatever has been observed by the Public Accounts Committe in regard to the suggestions made. To my knowledge, in some other Legislatures in India, the salary of the Secretary of the Legislature is pitched very high as much as 3,000 rupees and where they get competent men with technical ability and competence, they do not mind giving a higher salary. Having regard to the quantum of work and the quality of work done in this Secretariat the Secretary of the Legislature should not be inferior to the Secretaries to Government. I look at it from the point of the insult being offered to the Legislature itself and it is against that background I offer this criticism. I do not know what exactly are the circumstances under which the Committee made the observation :

> "The Committee are compelled to make the foregoing recommendations in view of the difficulties (which they do not wish to narrate in detail) they had to face for their small and ordinary requirements".

I have also a few matters which I do not wish to mention on the floor of the House because from my point of view I should not say anything in detail.

Comming to the question of outstanding Audit Objections mentioned in paragraph 11, the Committee has observed that objections relating to periods as far back as 1950-51 continue to be outstanding. If that is so, I wonder if there is a Government functioning here which takes note of audit objection. Does it show that there is a sense of discipline pervading among the officers of Government. They might have an excuse. Even for killing a man, the might have an excuse. But what is the standard of efficiency. To me it looks nothing short of the scandalous that the audit objections should be allowed to be delt with without being answer satisfactorily for ten long years. Is there any guarantee, at the rate at which are going, that they will be disposed of in the near future. One of the excuses put forward before the Committe

(Sri J. B. MALLARADHYA)

was that a number of officers were transferred and on that account the audit objections could not be met. The Committee itself says that it is "shockingly absurd". I think it is ridiculous. It is fantastic.

ಪಂಚಾಂಗ ಹೋಗಿಬಿಟ್ಟರೆ ನಕ್ಷತ್ರ ಹೋಗುತ್ತದೆಯೇ ? ಸರ್ಕಾರ ಹೀಗೆ ನಡೆಸುವುದೇ ? What is the guarantee that even after the observations that we are making on the floor of the House, these audit abjections would be cleared. What concrete steps will Government take. Successive reports of Committees have not moved the Government to action.

Sri T. MARIAPPA.—Please refer to para 13.

Sri J. B. MALLARADHYA.—The Accountant General has issued a Circular, not the Government. The Report goes on to say :

> "The Committee were, however, distressed to learn that generally they were not taken seriously by the Departments and on a few occasions, the proposed meetings had even to be called off as the Departmental officers did not turn up".

The Accountant General wanted to devise some ways and means of minimising these delays and to prevent them. He convened a meeting for this purpose and to this meeting, most of the heads of departments and Secretaries did not turn up. This is most extraordinary. The Committee says :

> "This is indeed a deplorable state of affairs which does not augur well with responsible officers of Government."

I might invite the attention of the House to paragraph 14, regarding the suggestion that the Divisional Accountants should be placed under the Accountant General. What was the difficulty in giving effect to this proposal. The Committee says that this is necessary in order to safeguard the interests of the tax payer. This was a very wholesome suggestion made and I cannot understand why Government should have delayed decision on this matter. The previous Committe had expressed the same idea, though possibly in more dignified language. It accused the Government of belatedness, prevarication and unwillingness to take any measure calculated to guard the interests of the finances of the State and have the tax-payer from wasteful expenditure. The same committee has reieterated the remarks. Can there be worse callousness on the part of the Government than disregarding this salutory suggestions for years and end. This distressing indeed.

I will now refer to para 16, page 9 concerning execution of works without sanction to Estimates in the P.W.D. The sum involved is colossal. I wonder why there should be sanction of the budget by the Legislature at all if nearly 137 lakhs are to be spent on irrigation and 99 lakhs on civil works etc., without sanctions. The Committee observes.

> "According to a cardinal requirement under the Financial Rules, a Public Works Officer is not entitled to start any work

without proper sanction to the estimates and to appropriation of funds therefor."

In spite of the existing financial code and the rules, such enormous sums of money were to be spent even without estimates, I can only say that it created an extraordinary situation. I do not know whom to blame. The irony of fate is that in spite of this committee and the previous committees pointing out, such works without sanction were being carried on merrily, year after year and no action is being taken to regularise them. Of course the Engineers on the spot may spend money to meet an emergent situation but immediately after incurring such expenditure they should get sanction. Who is controlling this aspect? What is the Minister in-charge doing; what was the Finance Department doing. After all no system of rules and procedure could be foolproof, but if even the existing rules are not observed we all become fools having to depend on rules which are inoperative ineffectual.

As a sample of the inefficiency of the Government, the House will note the remarks made in paragraph 17 in regard to Abstract Contingent Bills. The Accountant General pointed out to the Committe that such Bills are not accounted for months and years together. I understand the salaries of some officers had to be stopped only last month because the Government was afraid that the report of the Public Accounts Committee would be discussed and therefore some action had to be taken. I do not know how far it is true.

In regard to the procedure to be followed by Government on the recommendations of the Public Accounts Committee, I would like to invite the attention of the House to an observation and recommendation made by the committee with which I agree. They say that "after reviewing the position, the Committee agreed that quarterly statements showing the action taken by Government should be forwarded to the Public Accounts Committee as decided earlier and that action on the recommendations of the Committee should be proceeded with irrespective of whether the reports have been discussed by the Legislature or not". Of course this is a matter on which there is likely to difference of opinion. In regard to regularising of expenditure, sanction of estimates and all that, I do not see way even in spite of the matter being discussed in the Assembly, action should be taken by the departmental heads.

6 P.M.

I would like to go into the point raised in pragraph 19 which relates to excesses over voted grants and charged appropriations. This is a matter on which I am unable to reconcile myself with the position which is indicated in that paragraph.

"It is apparent, therefore, that measures to ensure proper control over expenditure in these cases have been defective.

(Sri J. B. MALLARADHYA)

The Committee would point out that expenditure in excess of the Grants and Appropriations sanctioned by the Legislature in wrong in principle .."

I have been repeatedly making this observation in connection with my budget speeches for the last four years. Expenditure in excess of the grants and appropriations is certain very reprehensible, They say.

"Subject to the foregoing observations, the Committee would recommend that the excesses mentioned in the Annexure be regularised by the Legislature in the manner prescribed under Article 205 of the Contitution of India."

Has any action been taken in respect of these irregularities about any previous years by bringing a measure before this House for regularisation, To what period, to what years does this regularity relate. No reasons for exesses have been given well in time.

It is interesting that certain departments like the Education Department should have sanctioned funds on immature scheme. I am referring to certain grants like 20 Education, Agriculture, Miscellaneous Departments, Capital Outlay on Improvement of Public Health.

"Instances of provision of funds towards immature schemes were also noticed. The Committee were unable to appreciate why in these cases funds should have, at all been provided when the schemes were not ready for implementation."

It is a very perniclous habit in certain of the departments to show that expenditure has been incurred on the last date of the official year 31st March 1959 or 1960 just to show that the plan expenditure has been expended. It is a fraud just to show that the Government or the particular department has spent the last pie of what has been allotted in the budget.

Sri T. MARIAPPA.—Budget grants would be before the Assembly. How can there be a fraud ? All these budget items were before this House. Taken provisions were made.

Srl J. B. MALLARADHYA.—Please take the paragraph relating to community development. Page 29. Here is a case of colossal waste of public funds and the whole scheme of the work of the department is full of scandals. A question was put on the floor of the House to which the Minister for Revenue with a sense of courage said that there are no cases in which the second instalment was given when the first instalment of the grant was not fully spent and he wanted Mr. Puttanna to give a long list of cases which have come to his notice so that he may take such action as he deems fit. Here is one such case. The first instalment of Rs. 7,96,475 has been paid, but the work had not commenced even on the 31st March. It means that even on the last date of the final

year to which the grant related, the amount had been advanced and the work had not commenced.

> "In respect of 279 works, both the instalments of grants amounting to Rs. 6,83,122 had been paid but the work had not commenced even on 31st March, 1958."

Here is a case where even the second instalment had been given when the work had not commenced. I wish my friend the Deputy Minister for Community Developments is present.

> "In respect of 1,709 works, an outlay of Rs. 24,11,809 had actually been incurred but the works remained incomplete on 31st March, 1938."

These are the cases which justify the observations made by me. Observations are made on faces.

On page 18, the Committee has made an observation as follows :—

> "The Committee were equally distressed to learn that the original estimate for the main work itself, *viz.* "Improvement of Water Supply to Shimoga Town (originally sanctioned in 1951 for Rs. 8.19 lakhs) had to be latter revised to Rs. 15 laksh in 1956 primarily on account of delay in execution and consequent rise in wages and cost of construction material."

I am taking this a simple case. This Government which swears by the concept of welfare State even in respect of a matter which affects the interests of the people, the residents of a municipal town like Shimoga when the town water supply scheme was sanctioned. The estimate had to be increased from Rs. 8.19 lakhs to Rs. 15 lakhs. Looked at from the point of view of the average rate payer within the limits of the muncipality, is not his commitement increased on account of the failure of the Government to take prompt action. This is one of the thousands of instances where the estimates of work had to be increased three hundred fold or four hundred fold because Government would not take action at the appropriate time. This is the general observation made in regard to avoidable expenditure. They would say they were getting difficulty about exchange, in getting cement, iron, etc. When you don't sanction a scheme and you don't implement it some of the silly reasons, I am afraid no Government can take credit. Then they should not sanction it. Sir in regard to this avoidable expenditure, they have quoted the instance of Education Department.

> "The Committee desire that in respect of similar lapses in future, adeqate disciplinary action should be taken by Government."

Sir, this report is full of such observations the Government are unwilling to take action about officers who are guilty of deriliction of duty. Sir, however high placed the officer may be, if he allows wasteful expenditure in spite of his being armed with power and enormous staff, he should not be allowed to go free. I do not know

(Sri J. B. MALLARADHYA)

why Government should be reluctant to take action against such officers. It is there that the question of nepotism comes If an ordinary constable takes four annas from a jutka man he is caught and punished and you come forward and show that you have taken diciplinary action against him. Where people have allowed this wasteful expenditure and neglected their duties, Government have not taken any action.

Sir, so far as famine is concered, I do not know whether the Famine Code has come into operation in Mysore State. The Committee says :

> "The Committee observe that this information regarding a new Famine Code is being repeated year after year and it is hoped that at least by 1961-62 Government will, without fail, publish the new code and not continue to say that the work is on hand."

Sir, when the famine relief subject was being discussed on the floor of the House, we made certain suggestions and the evolving an up-to-date Famine Code and setting up of a Central Committee of the famine relief and the District Committees and build up a famine relief fund. I do not know at whatstage the drafting of the Famine Code is. I would like the Finance Minister to tell us.

Sir, coming to Industries Department, this is an oweful thing and any Government which neglect their industries and which does not prevent waste of public funds in any department and still more in Industries Department, has no right to exist and has no right to enjoy the confidence of the people. Sir, I wonder how the affair of Bhadravati is published in the paper before the report of the committee was put in the hands of the Members of this House. Whoever may be responsible for this must be hauled up. Sir, I refer to page 33. I want to ask as to what has Government done about this. It is very curious that this losses have occurred. I draw the attention of the House to this particular paragraph which provides very interesting reading, and it is very distressing indeed. Sir, the position is, the agreement was in French and the Government did not take it into its head to get it translated into English and deposit in the Secretariat.

> "The Committee noticed that the orignal agreement was in French and according to the translation of the same available in English there was a distinct clause which said *inter alia* that "in the event of a market rise in the prices of this contract, the Government of Mysore will be entitled to give the option to the purchaser, either of taking delivery of the balance remaing to be supplied or to cancel such balance" Apparently, this was intended to safeguard the financial interest of Government in the event of a rise..."

Sir, even when the price shot up to 55, it was sold at Rs. 45. The result was, Government last Rs. 10 on every ton, though they had

the right to get the amount. I do not know who this Trade agent for Mysore at that time was. You must surcharge that person, whover he may be. I do not know in what position he is now. This loss is entirely due to him. Sir, in October 1955, a letter was addressed by him to the Director, Government Sandalwood Oil Factory stating that the purchasers refuse to pay the higher rates. The Committee have come to the conclusion that there was no extenuating circumtances justify the departure in the present case. They have gone into this matter as though it was a judicial pronouncement. Another curious case of the Trade Agent functioning in London is :

> "The decision not to enforce the price increase clause was arrived at only in the belief that there was no such provision in the original agreement. It was explained to the Committee that this was partly due to filing of the original contract documents in the office of the Trade Agent."

Government did not think it necesary to have a copy in the Industries Secretariat. I do not know who the Secretary was, who the Director was and whose responsibility it was. I thought we had a very vigilent finance department with the present Finance Minister at the helm of affairs. I do not know who the Finance Minister was at that time. Nothing prevented the Government to obtain copies of the agreement. I perfectly agree with the committee that the entire transaction in this case has been dealt with in a most unbusiness like manner at all levels. The Committee suggests that such irresponsible officers should not be posted. Merely because there are some I.A.S. Officers who are good and competent to manage, Government think that any officer can manage this work. Shifting of these officers from place to place is very very wrong and I do not know how long this will continue.

Sir, regarding loss due to sale of Sandalwood Oil at concessional rate it is the same old story. Sir, in Para 38 it says:

> "The firm pleaded its inablilty to supply the balance of 1000 lbs. at the originally agreed rate of Rs. 30-50 nP. per pound and therefore Government took a sympathetic view and paid at the enhanced rate of Rs. 32-50 nP per pound considering that it was a very small concern having a limited output".

Sir, the Committee observe that it was strange that in matters relating to commercial and industrial enterprise humanitarian considerations should have weighed with Government, Sir, when the firm loses, you want to be generous, but whenever profits are made by such firms, no part of it would come to Government. So, the obvious inference in this case is favouritism. The Committee have said:

> "A contract being sacrosanct, the Committee are of the view that the Department should have enforced the penal clause as per the original agreement and arranged for the recovery of the excess cost incurred by Governmnet."

(Sri J. B. MALLARADHYA)

The Committee desire that Government should issue strict instructions in the matter to avoid similar lapses in future."

Sir, in regard to this *Pro-forma* accounts of Government Commercial Concerns, this is the type of control that Government has. On many occasions, I have repeatedly brought to notice of the Government that we should introduce the system of parliamentary control over our industrial concerns, the public sector industries. I have often said that there should be a committee of this legislature to deal effectively with every one of the concerns. Not that we should interfere with the working of the industries at every stage. The Committee has observed that the Accountant General has complained that they would not send their porfit and loss account and trading accounts and balance sheets for any time for inclusion in appropriation account. How will appropriation accounts give a correct picture of the transactions of the commercial undertakings in respect of the Government investment of crores of rupees? Did the Finance Minister at any time bring to our notice that in respect of so many industrial concerns, we have not received these particular accounts and to this extent the accounts before the legislature deserve to be modified. This valuable piece of information has been kept back for so many years and this has come to light only as a result of the functioning of the Public Accounts Committee. So you will see how valuable the work of this Committee is. For years together, failure to produce the profit and loss account, receipts and expenditure account and balance sheets, would have escaped notice altogether. And then Sir, the Committee were distressed to note that out of 12 concerns which were stated to be in default by the Accountant General, these *Pro-forma* accounts were in arrears since 1956-57. Does it show that the audit department at the Government level seriously audit and examine the activities of these concerns. If they do not do it, who is going to look into that ? It did not come before the Public Accounts Committee. Government had no agency which can attend to this and the presumption is from 1956-57 onwards, no *pro-forma* have reached the Government. To what extent can you say that the Appropriation Accounts placed before the legislature were correct? How can we believe these figures ? The activites of the Government have increased so much and it is necesary to have a full account of these industries. You have in charge of each Industrial concern a Government Director and some times a Secretary to be one of the directors and to be on the management, and what have they done ? When they meet for transacting business almost every month and in their annual general meeting, should they not at least verify that the *pro-forma* is sent to Government. What is the object of putting your directors on the management ? What is their business ? Have they got any definite function to fulfil ? Is it not highly reprehensible if they fail to perform their obligatory duties ?

So far as the Stores Purchase Committee is concerned, there are certain very notable omissions which appear to be very deliberate nature and one such thing is on page 25. The last date for the receipt of tenders for the supply of air compressers had been fixed by the SPC as 28th December 1955. On the ground that there was initial mistake in sending correct tender forms, revised quotations were called for by the SPC in February 1956 from all the firms. As a result, the lowest tender which had quoted Rs. 3020 revised it to 3526 thereby resulting in extra-expenditure of Rs. 32,000. I consider that this omission is intentional. Whom are you placing at the helm of affairs ? You have got a full-fledged Secretary who is a senior man. You have a number of clerks and you hear frequently allegations of every kind is made. I do not mean to suggest that every one of these allegations is true. But when instances of this kind come up, they raise a reasonable apprehension or presumption that it must have been done deliberately. Whatever it is, if this item has resulted in a loss of Rs. 32,000. I want to know whether the Government has a word of explanation called for from the officer concerned. The Chairman of the SPC is either the Deputy Minister of Finance or the Minister himself.

Sri J. H. SHAMSUDDIN.—The Chairman is an official.

Sri J. B. MALLARADHYA.—Then it makes it worse. If at least a Minister were the Chairman-my friend Shri Appaji Gowda was there as Chairman for some time, a thing like that never happen. If an official is there, this should not happen at all. It only shows how the official heirarchy is working without any sort of control.

> "In justifying the action of the Stores Purchase Committee, one of the reasons adduced earlier by Government was that the enhanced rate quoted by the lowest tenderer was on account of improved specifications."

Government at a belated stage wanted to save the officer concerned from personal liability. Sir, in the course of the examination of the Chairman of the SPC and the Secretary, Industries and Commerce Department, the Committee were given to understand that there was actually no specification and that revised quotations were called solely because of this error. They are not even honest. I want to ask whether any action was taken against this officer who had the courage and guts to make false statements, before a committee of the Legislature. This is derogatory to the dignity of any committee that an officer should indulge in making deliberately false statement. We are treated as man of stra. I look at it from that point of view. If you put the machinery on proper rails, it must move. That is the way in which the administration has to go on. There should be no break-down or derailment. We will have to guard against them. What is the arrangement you have made ? Even when the existing procedure is there, you don't ask officers to follow them. When they depart from the existing rules, you do not check them and take suitable action against them.

(Sri J. B. MALLARADHYA)

In regard to defalcations and misappropriations, the less said the better. Well Sir, in regard to defalcations, the very leasurely manner in which the Government start investigations, even departmental investigations allows a lot of scope for the recalcitrant official to cover up his defects. Supposing defalcation is noticed today, before departmental enquiry is started, it will take another three months, four months and even five months, or six months. The officer concerned is not even placed under suspicion pending enquiry. (para 42):

> "The Committee were surprised to learn that a large number of cases of defalcations and misappropriations of Government money involving over Rs. 1.5 lakhs—some of these are stated to be a decade old should be pending final disposal in the departmental offices."

Sri T. MARIAPPA.—It relates to a period when you were in office also. It is a decade old.

Sri J. B. MALLARADHYA.—If you will please tell me if it relates to the period when I was Secretary, I must plead guilty. I give you an undertaking on the floor of this House, if I am responsible for any amount, I shall make good that amount.

Sri T. MARIAPPA.—These are a decade old.

6-30 P.M.

Sri J. B. MALLARADHYA.—By the time the next Public Accounts Committee meets it will be 15 years and thereafter it will be even 20 years. Year after year such irregularities continue. That audit objections should remain pending for 10 years and over does not bring credit to anybody.

Sri T. MARIAPPA.—It is only post mortem examination.

Sri J. B. MALLARADHYA.—That is your misconception. The Speaker has rightly pointed out in his circular that the work of the Public Accounts Committee is not in the nature of *post mortem* examination. In fact, you must be grateful to the Committee for having brought to light certain things which would otherwise have never seen the light of day.

Sri T. MARIAPPA.—We are really grateful to the Public Accounts Committee and even to the Estimates Committee.

Sri J. B. MALLARADHYA.—You appointed the Estimates Committee only 6 months ago and we have not been able to do anything.

Sri T. MARIAPPA.—We did not appoint.

Sri J. B. MALLARADHYA.—The Speaker once said that if I had been elected earlier he would have appointed me Chairman of the Public Accounts Committee. When I was elected to the Estimates Committee he wanted to appoint me as Chairman, but it seems the Chief Minister was not agreeable. In the past my friend Sri Imam was the Chairman. I only want you to recognise talent whether it is on this side of the House or the other side. I am no loser by your not appointing me Chairman of the Estimates Committee or Public Accounts Committee,

but I would only say that these appointments should not be guided by party considerations and wherever there is talent it should be recognised. The present Report of the P.A.C. is a very good one. I do not know whether the Chairman belongs to the dissident group. Of course it is not his individual report, but joint report of the Committee. This is one of the most valuable reports which will open the eyes of Government. They may not like it for obvious reasons, but I consider this as one of the most very critical reports. They have done their work almost regularly. They have had sittings for one month continuously. I hope that something good will come out of this report.

Then I want to take up the misappropriation of takkavi by a talati. The irregularity was committed in 1956. It was repeated in 1958, but not detected. If timely action had been taken against the culprit, the irregularity of 1958 could have been avoided. "The Committee desire that Government should prove into the case and see that the matter which is stated to be still *sub-judice* is finalised without further loss of time." I know some facts about this, but since it is *sub-judice* I would refrain from speaking about it here. I endorse the committee's recommendation.

Then next comes the questionof embezzlement of Government money and other property by a Ranger in the Forest Department. This is a very fertile source for people to embezzle funds, particularly at the level or Rangers. Here is an obvious case of harassment of an official. "From the relevant records, it was noticed that as far back as April 1958, the Agriculture and Forest Department consulted the Law Department regarding the question of disciplinary action by the Department and it was advised by the Law Department that 'since the appeal is stated to be pending, it is desirable to postpone the disciplinary action till the appeal is disposed of.' In the present case, it is unfair both to the official as well as to Government to prolong the case indefinitely. Therefore, the Committee recommend that unless there is a case for disciplinary action against the official under the Classification, Control and Appeal Rules, the matter should be finalised without further lost of time."

There are heaps of complaints that in cases where Government is anxious to punish a man, they will do it in 3 days, but in other cases they follow the policy of slow-poisoning. I am glad that the Public Accounts Committee has noticed this. We should not allow such a kind of thing to happen.

Then coming to the paragraph regarding community development, I thought my friend Sri Reddy was a man devoted to his work and he would look into details. The point is that the payment of the second instalment of grant for wells even before the utilization of the first instalment runs directly counter to the answer given by the Revenue Minister his morning. The Committee observe that this irregularity is being perpetuated year after year. It is not as if it occurred in 1958-59 only. I cannot understand how the B.D.O.s could have disbursed the second instalment before the first instalment was spent. This is a deliberate

(Sri J. B. MALLARADHYA)

fraud on Government and on the people I am against the scheme of community development, but what I object most is the way in which they are callously wasting public funds without absolutely any scrutiny and control. In our anxiety to improve the rural areas and in our ambitious schemes of reconstruction we are losing sight of the fundamentals, namely, that every pie of the state Exchequer will have to be usefully and properly spent and accounted. I want to know how many of these B.D.Os. are brought to book for doing this. Here is a very glaring case and it is a criminal action. Before the second instalment of the grant is given the Tahsildars are expected to go and inspect and record the progress of work and then only sanction the second instalment. How did this happen ? What is the control that the Deputy Commissioner exercised or his assistant exerciseed ? You have now given him a Development Assistant.

The Deputy Commissioner may not find the time but his personal responsibility cannot be taken away. If averybody says that it is not his concern, it ultimately falls on the head of the smallest Clerk. In the olden days, in the bureaucratic set-up there used to be a saying: 'ಗುಂಡ್ಮೈಂಗಾರ್' ಎಂದು ಹೇಳುತ್ತಿದ್ದರು. ಅದರ ವಿಚಾರ ಹೀಗಿದೆ ಡೆಪ್ಯುಟಿ ಕಮಿಷನರು ಸಬ್ ಡಿವಿಷನರ್ ಆಫೀಸರ ಕಡೆ ಕೃಪಾ ದೃಷ್ಟಿಯಿಂದ ನೋಡಿದರೆ, ಅವರು ತಹಸೀಲ್ದಾರರ ಕಡೆ ನೋಡುತ್ತಿದ್ದರು. ತಹಸೀಲ್ದಾರರು ರೆವಿನ್ಯೂ ಇನ್‌ಸ್ಪೆಕ್ಟರ ಕಡೆ –ಅಗಿನ ಕಾಲದಲ್ಲಿ ಶಾಖೇದಾರ್ ಎಂದು ಕರೆಯುತ್ತಿದ್ದರು-ನೋಡುತ್ತಿದ್ದರು. ಅವರು ಶಾನುಭೋಗರ ಕಡೆ ಮತ್ತು ಪಟೇಲರ ಕಡೆ ನೋಡುತ್ತಿದ್ದರು, ಶಾನುಭೋಗ ಪಟೇಲರು ತೋಟಿ ತಳವಾರರ ಕಡೆ ನೋಡುತ್ತಿದ್ದರು, ಹೀಗೆ ಡೆಪ್ಯುಟಿ ಕಮಿಷನರಿಂದ ತೋಟಿ ತಳವಾರರಿಗೆ ಮುಟ್ಟುವುದರೊಳಗಾಗಿ ಅದು ದೊಡ್ಡ ಕುಂಬಳಕಾಯಿ ಆಗುತ್ತಿತ್ತು-ಇದೇ ಗುಂಡ್ಮೈಂಗಾರ್ ಎಂದರೆ. ಈ ತರಹ ವ್ಯವಸ್ಥೆ ಈಗ ಬಂದಿದೆ. ಇದು ವಾಸ್ತವಾಂಶ ನಾನು ಕಟ್ಟು ಕಥೆಯನ್ನು ಹೇಳುತ್ತಿಲ್ಲ ರಿಪೋರ್ಟ್‌ಗಳ ಮತ್ತು ಅಂಕಿ ಅಂಶಗಳ ಆಧಾರದ ಮೇಲೆ ಹೇಳುತ್ತಿದ್ದೇನೆ.

The purpose of my making this observation is that a stage has been reached in respect of the management of the Community Development cries are being heard from all over the State and the country that here is a fertile source of wastage of public funds. Government must devise a certain agency which ought to supervise the work and bring to book all those people who have been very liberal in the matter of utilization of public funds. Not even 50% of the money spent, has gone to the benefit of the people and still we contend and take pride by saying that it is one of the most wonderful schemes. So far as the State of Mysore is concerned, it is nothing new. It is only an extended form of the Village Improvement Scheme, the Model Village Scheme, the Rural Reconstruction Drive, etc., launched in the olden days. I may say that even in those days there were wastages in some form or another but not in this colossal manner. The Central Government gives its quota and the State gives its quota and we are free to spend in the manner we like. The so-called Local Development Works are really scandals. It provide

that labour contribution should also be taken into account. Supposing a work costs Rs. 3,000 and the labour contribution is 50per cent. Would the House believe that ther eare cases where local officers, the B.D.Os. and the officers concerned, have exaggerated the estimate and made it appear as if the villagers contributed their quota and though they have pioneered this, the work of the poor villagers are made scape-goats to the fruitless transactions. What action has been taken? I do not know what to call it: is it politics, or unwillingness or is it chicken-heartedness or hoodwinking or trying to wink at these mal-practices which are abundantly in evidence in the game.

The Committee has rightly observed that:

> "In view of the recent democratic decentralisation, the Commmittee feel that a more effective and timely audit should be enforced in these cases so that the newly born Taluk Boards and Village Panchayats which are expected to spend large sums of public money on this account may have timely guidance and thereby remedy the financial irregularities then and there".

At one stage Government said that it is difficult for them to enforce audit. In most of the Municipalities for over five years there have been no audit. I do not know when Government would think of introducing effective auditing in respect of the village panchayats. They are getting a share of the revenue collections made in their jurisdiction. Government would also give certain grants. They would thus be spending lot of money. What is there to check them. The panchayats are subject to political pulls and counterpulls. There are factions inside and party fcelings are rampant. In such conditions if financial control is given to them, God alone must help us. Unless we introduce effective control through auditing of accounts, everybody would become partners in crime.

I will now turn to page 30, para 46, in regard to loss due to shortages. The amount involved is only Rs. 1,104. The Committee has pointed out that "the work connected with the procurement and distribution of chemical fertilizers and iron and steel for agricultural purposes was transferred to the Mysore State Co-operative Marketing Society..." Certain terms and conditions were laid down. The Committee says they are not sure as to what the conditions are. Why was this done? In the name of establishing a co-operative commonwealth, in the name of trying to see that co-operation permeates the life of the average citizen, nobody would object to the spirit of co-operation. But the point is whether co-operative spirit has permeated the entire atmosphere in Mysore.

Sri T. MARIAPPA.—Does the Hon'ble Member suggest that Government agencies should distribute them? It is worse.

Sri J. B. MALLARADHYA.—I do not know on what basic it is much worse. Co-operation is a fertile source from which people make money and the poor ryot who depends upon the marketing societies, does not secure the benefit intended.

Sri T. MARIAPPA.—It is based on the fundamental policy of having co-operative societies for distribution?

Sri J. B. MALLRADHYA.—The Finance Minister is aware that in places like Goribidnur, we had what are called 'agricultural co-operative societies'. The sales in that Society went upto nearly 5½ lakhs in a particular year, that is, in those days. The point I am trying to make out is whether this transfer of distributing materials were envisaged under certain conditions. Government should have agency to ensure that these conditions are fulfilled, both in law and in spirit.

Sri T. MARIAPPA.—The Director of Agriculture is there, a Government officer is there.

Sri J. B. MALLARADHYA.—The Committee says:

> "It is not clear to the Committee as to what exactly are the advantages to Government and the public in this transfer. The Marketing Society has been allowed the concession of utilizing Government Godowns and the staff at a huge cost. In addition in respect of Ammonium Sulphate a margin of Rs. 10 per ton has also been allowed to the Society".

This margin of Rs. 10, the Committee points out adds to the cost of the consumer. Actually the ammonium sulpahte is sold in the blackmarket and more often none of it is given to the people who are actually agriculturists.

Sri T. MARIAPPA.—They are distributed through primary co-operative societies of which the members are the tillers.

Sri J. B. MALLARADHYA.—I know Government have given the services of Deputy Director of Agriculture. I know that for a period of one year, Government would bear the cost. In spite of the best arrangements made, what happened in Hassan. I do not know if the matter is *sub-judice*. If that is so, I would not like to go into details.

In regard to certain co-operative societies, a number of questions have been raised on the floor of the House in regard to the alleged defalcation that has occurred in a number of societies and the complicity of a number of friends who are members of this Hon'ble House. It must be abundantly clear to the Government by this time that so far as the work of the Co-operative Societies is concerned, there are a few good societies, but it is not say that the 100 per cent of societies are doing that work. Particularly where the distribution of fertilizers is concerned where the distribution of steel and cement is concerned, I am afraid that for some time to come Government will have to change the policy. The particular aspect which I want to emphasise in this connection is, the Government should consider very deeply whether the tax-payer or the agriculturist stands to gain by any change of policy. You have now changed your policy, the policy of allowing co-operative societies to function and that the co-operative institutions should become the very life blood of the average citizen in India is all very good; but you have got to go slow about it. You cannot automatically transfer everything to the

co-operative institutions and place non-officials in charge. Some of the defalcations will come to light when you are helpless. By this transfer to responsibility in regard to the distribution of fertilizers, cement and iron and steel, what is the loss to the Government; is that loss compensated by the additional facility available to the average ryot in his agricultural operations. They take credit for passing an order transferring the distribution to marketing society or co-operative society; but have they justified the action taken and have the results proved beneficial to the ryots? We hear a cry that they don't get even agricultural implements because they are always sold at black-market rate and they don't reach the ryots. When you bring any new scheme into effect, it is better to realise the consequences of such a measure.

With regard to the Law Department, they have something very interesting to say.

> "...Section 120 of the States Reorganisation Act, 1956, provides that in respect of a State formed out of several integrating areas with different sets of laws, the State Government could within a year thereafter effect modifications in the existing laws in order to bring about uniformity..."

This has been the burden of my song on almost every occasion when the House met. How many more Bills calculated to secure uniformity of legislation in the enlarged Mysore State are still pending. We have had the sad spectacle of being told that some Bills had to lapse because Government could not take appropriate action. In this particular session we have passed as many as 20 Bills. Has the Opposition adopted an attitude of obstruction in the transaction of business in this House?

Sri T. MARIAPPA.—Is it possible to do it within one year; how many Bills are pending before the House?

Sri J. B. MALLARADHYA.—Do you respect provisions or what is stated in the States Reorganisation Act?

Sri T. MARIAPPA.—In other States they have not done as much as this House has done.

Sri J. B. MALLARADHYA.—It is not that Caesar grew gray but that Rome degenerated. If Mysore Government is going to take credit that other States have not done as well as we are, that does not show a standard of efficiency in our State but a standard of inefficiency that is obtaining in other States. It is not that Mysore State grew gray but some other States have degenerated. We are now in November 1961. At least within 5 years, was it not possible to get all the Bills and see that there is uniformity. On account of the non-implementation of this whole some provision, what has been the inconvenience caused to integrating areas? You cannot have five different sets of law to operate. You are asking for emotional integration, all kinds of integration–all very big words, but how are you going to bring about integration? Even in this matter what concrete efforts have been taken?

Sri T. MARIAPPA.—Many of the Bills are ready. The only thing is, the House does not find time.

Sri J. B. MALLARADHYA.—The kind of discourtesy shown to the Opposition, particularly to the Leader of the Opposition in this House beats all record by the Mysore Government. When they abruptly ended session, did they ever consult the Leader of the Opposition or the Opposition Members? The House had adjourned 8 days, 10 days earlier than the schedule. At any time have they consulted the Leader of the Opposition or the opposition. I have got concrete records to show that in previous regimes the Leader of the Opposition was an important man and to-day he is the least cared for and the least important type of person.

Sri J. H. SHAMSUDDIN (Deputy Minister for Finance).—He is more important.

Sri J. B. MALLARADHYA.—I did not know that even the Law Department would have come under the critical eye of the Committee and that is the one department against which I am bound to pick. Recently, about the type of laws that are being drafted, my friend the Speaker of the Lok Sabha had occasion to say and even Mr. Galbraith in one of his public speeches said that the quality of legislation that is being drafted, the quality of legislation which is being placed on the Statute Book is of very poor and inferior type.

Mr. DEPUTY SPEAKER.—Does he require more time?

Sri J. B. MALLARADHYA.—Yes.

Mr. DEPUTY SPEAKER.—He can continue to-morrow. The House now adjourns and will meet to-morrow at 8-30 A.M.

The House adjourned at Seven of the Clock to meet again at Nine of the Clock on Thursday, the 23rd November 1961.